



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
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Fifth District

August 19, 2008

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**FIFTEEN-YEAR LEASE  
DEPARTMENT OF HEALTH SERVICES, DEPARTMENT OF PUBLIC HEALTH AND  
DEPARTMENT OF MENTAL HEALTH  
512-522 SOUTH SAN PEDRO STREET, LOS ANGELES  
(SECOND) (3-VOTE)**

**SUBJECT**

This recommendation is for a 15-year lease for 20,628 rentable square feet of clinic and office space for the Department of Health Services (DHS), Department of Public Health (DPH) and Department Mental Health (DMH).

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Consider the Negative Declaration together with the fact that no comments were received during the public review process, find that the project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County of Los Angeles (County) to approve the Negative Declaration, find that the project will have no adverse effect on wildlife resources, and authorize the Chief Executive Office (CEO) to complete and file a Certificate of Fee Exemption for the project.

*"To Enrich Lives Through Effective And Caring Service"*

***Please Conserve Paper – This Document and Copies are Two-Sided  
Intra-County Correspondence Sent Electronically Only***

2. Approve and instruct the Chair to sign a 15-year lease with Weingart Center Association, (Landlord) for DHS, DPH, and DMH to occupy 20,628 rentable square feet of clinic and office space at 512-522 South San Pedro Street, Los Angeles (Leavey Building), at a maximum initial annual rental cost of \$581,709. The rental cost will be 100 percent net County cost (NCC) and will be charged proportionately to DHS, DPH, DMH; and the Homeless Prevention Initiative (HPI).
3. Authorize \$206,280 for additional discretionary Tenant Improvements (TIs) and reimbursement of a maximum of \$206,280 in a lump sum payment within 60 days of acceptance of the improvements at 8 percent interest.
4. Authorize the Landlord and/or Director of Internal Services Department (ISD), at the discretion of the CEO to acquire telephone systems for DHS, DPH, and DMH at a cost not to exceed \$1,000,000. At the discretion of the CEO, all or part of the telephone, data, and low voltage systems may be paid in lump sum or financed over a 60-month term not to exceed \$243,317 per year, in addition to other TI allowances.
5. Approve the project and authorize the CEO, DHS, DPH, DMH and ISD to implement the project. The lease will be effective upon approval by your Board, but the term and rent will commence upon completion of the TIs by the Landlord and acceptance thereof by the County.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this recommendation is to relocate the downtown skid row health clinic from the Weingart Building located at 511-515 East 6<sup>th</sup> Street to the single story Leavey Building and co-locate other services there to better serve clients.

DHS and the DPH have been housed in the Weingart Building since 1987. In 8,104 square feet, DHS provides primary care services through the JWCH Institute and both DHS and DPH operate an Early Intervention Clinic (EIC). DHS provides weekly diagnosis and treatment to clients with the AIDS virus and DPH provides TB treatment and follow-up services in the EIC. These services will be relocated to the Leavey Building. The rent for the 8,104 rentable square feet of space in the Weingart Building, previously approved by your Board in Lease No. 51870 on July 15, 2008, will cease upon occupancy of the Leavey Building.

The current health and human services delivery systems provided to low income and homeless persons in skid row are located at various sites and considered fragmented. In June 2004, the Skid Row Homeless Healthcare Initiative (SRHHI) established a multi-agency partnership tasked with planning and implementing integrated services for skid row residents. As a result of these private and public efforts and commitments, an expanded services model including medical and mental health care, dental care, social services, and housing programs will be offered integrating public and private involvement at the Leavey Building. In terms of Los Angeles County programs, the JWCH Institute will expand and integrate clinical, pharmaceutical, and dental services into approximately 12,000 rentable square feet at this facility. With additional resources, DHS and DPH will operate their EIC daily and expand into approximately 4,000 rentable square feet. Staff from DMH will be relocated there from various skid row missions and provide on-site crisis intervention through a multi-disciplinary team in an additional 4,000 rentable square feet.

#### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Countywide Strategic Plan directs that we invest in public infrastructure in order to strengthen the County's fiscal capacity. The proposed lease supports this strategy (Goal 4, Strategy 2, Objective 2), with the consolidation of department services to better serve constituents. This proposed lease complies with the Strategic Asset Management Principles, as shown in Attachment A.

### **FISCAL IMPACT/FINANCING**

The maximum initial annual rental cost will be \$581,709. The program is 100 percent NCC.

	<b>511-515 E. 6<sup>TH</sup> ST 5-YEAR LEASE OPTION</b>	<b>512-522 S. SAN PEDRO 15-YEAR LEASE</b>	<b>Changes</b>
Area (square feet)	18,512 (1 <sup>st</sup> and 9 <sup>th</sup> Floors) (1 <sup>st</sup> Floor 8,104 sf clinic space) \$203,978 (9 <sup>th</sup> Floor 10,408 sf alcohol program remains) \$261,970	20,628	+12,524 sf increase over 1 <sup>st</sup> Floor clinic space
Term	07/01/2008 – 06/30/2013	15 years	+Ten years
Annual /Monthly Base Rent	\$465,947 (\$25.17 psf ) annually or \$38,875 (\$2.10 psf ) monthly	\$581,709 (\$28.20 psf ) annually or \$48,476 (\$2.35* psf ) monthly	+\$377,732 increase comparison of 1 <sup>st</sup> Floor space
Tenant Improvements (TI's)	None	\$3,475,000	+\$3,475,000 (provided by Landlord)
Additional TI's	None	\$1,000,000	+\$1,000,000
Discretionary TI's	None	\$206,280	+\$206,480
Parking	82 parking spaces for 1 <sup>st</sup> Floor and 9 <sup>th</sup> Floor use	75 spaces for clinic only	75 spaces for clinic only
Cancellation	County may cancel anytime upon 90 days' prior written notice	A one time cancellation at tenth year with one-year or more notice	Only at tenth anniversary of lease term
Option to Renew	No options remain	Two new 5-year options	+Two 5-year options
Rental Adjustment	Annual fixed increases Year 2 rent \$479,925 Year 3 rent \$494,316 Year 4 rent \$509,153 Year 5 rent \$524,427	1 <sup>st</sup> year rent \$581,709 4 percent annual adjustment of prior years base rent	4 percent annual adjustment of prior years base rent

\*\$2.35 psf cost includes a \$.27 psf cost for reimbursement of additional TI amortized over the 15-year term of the lease (\$1,000,000 /180 months or \$5,555 or \$.27 per square foot).

Sufficient funding for the proposed lease costs is included in the 2008-09 Rent Expense budget and will be billed back to DHS, DPH, and DMH and the HPI.

Based upon a survey of similar office buildings within the service area in the downtown skid row area of Los Angeles, staff has determined that the rental range for a full service gross lease including TI's and parking is between \$28 and \$38 per square foot per year. Thus, the proposed base annual rental rate of approximately \$28 per square foot is within the lower range of market for the area.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed 15-year lease agreement comprises 20,628 rentable square feet of clinic and office space, along with 75 parking spaces. The proposed lease contains the following provisions:

- The term commences upon completion of the TI's by the Landlord, and acceptance thereof by the County. The term expires 15 years thereafter.
- The rent for the 8,104 rentable square feet vacated in the Weingart Building will cease upon occupancy of the Leavey Building.
- A base TI allowance of \$3,475,000 is included in the rent.
- A reimbursable TI allowance totaling \$1,000,000 is included in the proposed lease and is included in the rent.
- A Discretionary TI allowance totaling \$206,480 plus interest is included in the proposed lease and is lump sum reimbursed to Landlord upon invoicing and acceptance of improvements.
- There is a cancellation provision allowing the County to cancel one time after the tenth year upon 12 months advance notice to the Landlord.
- The rent includes 75 parking spaces.
- This is a full service gross lease whereby the Landlord is responsible for all operating expenses associated with the occupancy.
- The Base Rent is subject to annual fixed increases of 4 percent throughout the term.
- Notice has been sent to the City of Los Angeles pursuant to Government Code Sections 65402 and 25351.

CEO Real Estate staff did not survey the downtown Los Angeles area of skid row to determine the availability of comparable and more economical sites as this program was relocating to an existing building adjacent to the present site which serves the skid row area. Attachment B shows all County-owned and leased facilities within the search area for these programs. There are no County-owned or leased facilities available for this program.

The proposed lease was submitted for review to your Board's appointed Real Estate Management Commission on August 6, 2008. After careful review, the Commission approved the proposed lease. The subject building was constructed in 1958 and the Department of Public Works has inspected this facility and concurs that it meets current standards for the County's occupancy.

It is not feasible to construct a child care center in the proposed leased premises. However, there are several private child care centers available within a one-mile radius of the subject location.

#### **NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT**

The CEO has made an initial study of environmental factors and has concluded that this Project will have no significant impact on the environment and no adverse effect on the wildlife resources. Accordingly, a Negative Declaration has been prepared and a notice posted at the site as required by the California Environmental Quality Act (CEQA) and the California Administrative Code, Section 15072. Copies of the completed study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration as posted are attached. No comments to the Negative Declaration were received. A fee must be paid to the State Department of Fish and Game when certain notices are filed with the Registrar-Recorder/County Clerk. The County is exempt from paying this fee when your Board finds that a project will have no impact on wildlife resources.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed lease will provide the necessary clinic and office space for this County requirement. DHS, DPH, and DMH concur with the proposed lease.

The Honorable Board of Supervisors  
August 19, 2008  
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**CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors, return four originals of the executed lease agreement and the adopted, stamped Board letter, and two certified copies of the Minute Order to the CEO, Real Estate Division at 222 South Hill Street, 4<sup>th</sup> Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:DL:JSE  
CEM:TS:hd

Attachments (6)

c: County Counsel  
Department of Health Services  
Department of Public Health  
Department of Mental Health  
Internal Services Department

**DEPARTMENT OF HEALTH SERVICES, DEPARTMENT OF PUBLIC HEALTH  
AND DEPARTMENT OF MENTAL HEALTH  
SERVICE AREA WITHIN SKID ROW**

Asset Management Principles Compliance Form<sup>1</sup>

<b>1.</b>	<b>Occupancy</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
	A Does lease consolidate administrative functions? <sup>2</sup>			X
	B Does lease co-locate with other functions to better serve clients? <sup>2</sup>	X		
	C Does this lease centralize business support functions? <sup>2</sup>			X
	D Does this lease meet the guideline of 200 sf of space per person? <sup>2</sup> <b>The space available was not divisible and therefore the Lease represents 217 sf per person.</b>		X	
<b>2.</b>	<b>Capital</b>			
	A Is it a substantial net County cost (NCC) program? <b>100 percent NCC</b>	X		
	B Is this a long term County program?	X		
	C If yes to 2 A or B; is it a capital lease or operating lease with option to buy?		X	
	D If no, are there any suitable County-owned facilities available?		X	
	E If yes, why is lease being recommended over occupancy in County-owned ?			X
	F Is Building Description Report attached as Attachment B?	X		
	G Was build-to-suit or capital project considered? <b>A build-to-suit is not considered at this time, as the mission is to provide services in the skid row area using the facilities that are available.</b>		X	
<b>3.</b>	<b>Portfolio Management</b>			
	A Did department utilize CEO Space Request Evaluation (SRE)?		X	
	B Was the space need justified?			X
	C If a renewal, was co-location with other County departments considered ?			X
	D Why was this program not co-located?			
	1. The program clientele requires a "stand alone" facility.			
	2. <b>X</b> No suitable County occupied properties in project area.			
	3. <b>X</b> No County-owned facilities available for the project.			
	4. Could not get City clearance or approval.			
	5. The Program is being co-located.			
	E Is lease a full service lease? <sup>2</sup>	X		
	F Has growth projection been considered in space request?			X
	G Has the Dept. of Public Works completed seismic review/approval?	X		
	<sup>1</sup> As approved by the Board of Supervisors 11/17/98			
	<sup>2</sup> If not, why not?	Please bold any written responses		



**SPACE SEARCH WITHIN CLIENT SERVICE AREA  
SERVICE AREA WITHIN SKID ROW  
511-515 EAST 6<sup>TH</sup> STREET, LOS ANGELES**

LACO	FACILITY NAME	ADDRESS	SQ FT GROSS	SQ. FT NET		SQ. FT. AVAIL.
0155	STANLEY MOSK COURTHOUSE	111 N HILL ST, LOS ANGELES 90012	794,459	441,761	OWNED	NONE
0181	KENNETH HAHN HALL OF ADMINISTRATION	500 W TEMPLE ST, LOS ANGELES 90012-2713	958,090	591,457	FINANCED	NONE
A496	PUBLIC DEFENDER-L.A. LAW CENTER BUILDING	207 S BROADWAY, LOS ANGELES 90012	7,100	6,750	LEASED	NONE
A429	CAO-REAL ESTATE DIVISION/ SERVICE INTEGRATION	222 S HILL ST (KAWADA BUILDING), LOS ANGELES	1,100	1,078	LEASED	NONE
A442	MENTAL HEALTH-LAPD - SMART TEAM OFFICE	419 S SPRING ST, LOS ANGELES 90013	1,000	1,000	GRATIS USE	NONE
A529	MENTAL HEALTH-DOWNTOWN MENTAL HEALTH SERVICES	529 S MAPLE AVE, LOS ANGELES 90013	19,000	16,150	LEASED	NONE
3154	CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTR	210 W TEMPLE ST, LOS ANGELES 90012	1,036,283	399,535	FINANCED	NONE
0101	HALL OF JUSTICE (NOT HABITABLE)	211 W TEMPLE ST, LOS ANGELES 90012	570,811	306,487	OWNED	306487
0156	HALL OF RECORDS	320 W TEMPLE ST, LOS ANGELES 90012	438,095	259,523	OWNED	NONE
Y013	DPSS-CIVIC CENTER DISTRICT/GROW CENTER OFFICE	813 E 4TH PL , LOS ANGELES 90013	39,956	25,158	OWNED	NONE
A384	AG COMM/WTS & MEASURES DOWNTOWN MARKET OFFICE	1320 E OLYMPIC BLVD, LOS ANGELES 90021	776	776	LEASED	NONE

COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AGREEMENT

DEPARTMENT: HEALTH SERVICES, PUBLIC HEALTH, and MENTAL  
HEALTH, as Tenants

LANDLORD: WEINGART CENTER ASSOCIATION

512-522 SOUTH SAN PEDRO STREET, LOS ANGELES, CA 90013

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COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AGREEMENT

THIS LEASE AND AGREEMENT made and entered into in duplicate original as of the \_\_\_\_\_ day of \_\_\_\_\_, 2008 by and between WEINGART CENTER ASSOCIATION ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION. The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease:

(a) Landlord's Address for Notice:

Gregory C. Scott  
Weingart Center Association  
566 S. San Pedro Street  
Los Angeles, CA 90013

(b) Tenant's Address for Notice:

Board of Supervisors  
Kenneth Hahn Hall of Administration,  
Room 383  
500 West Temple Street  
Los Angeles, California 90012  
Fax Number: (213) 626-7827

With a copy to:  
Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate  
Fax Number: (213) 217-4971

(c) Premises:

Approximately 20,628 rentable square feet in the Building (defined below) and as shown on Exhibit A attached hereto.

(d)

The building located at 512-522 South San Pedro Street, Los Angeles which is located upon the real property described more particularly in Exhibit B attached hereto (the "Property");

- (e) Term: Fifteen (15) years commencing fifteen (15) days after Tenant's Acceptance of the Premises as defined in Section 4(a) (the "Commencement Date"); and terminating at midnight on the day before the 16th anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
- (f) Projected Commencement Date: February 9, 2009
- (g) Commencement Date: Upon Substantial Completion of the Improvements and Acceptance of the Premises by the County, as defined in Section 4 hereof.
- (h) Irrevocable Offer Expiration Date: October 1, 2008
- (i) Basic Rent: \$48,475.80 per month (which is based upon a rental rate of \$ 2.35 per rentable square foot (adjustable only as provided in Section 2(b) hereof.))
- (j) Early Termination Notice Date: At least one year prior to the 10th anniversary of the Commencement Date
- (k) Rentable Square Feet in the Premises: 20,628
- (l) Use: Medical office use, which is compatible with the exempt nonprofit purposes of the Weingart Center Association.
- (m) Initial Departmental Use: DHS, DPH, and DMH, as a medical clinic and support services which are compatible with Weingart Center uses.
- (n) Parking Spaces: 75 unreserved



- (o) Normal Working Hours: 7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 2:00 p.m. Saturday (a minimum four hour use), except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.
- (p) Asbestos Report: A report dated March 23, 1998 prepared by Integrated Resources, Inc., a licensed California Asbestos contractor.

1.2 Defined Terms Relating to Landlord's Work Letter

- (a) Base Tenant Improvement Allowance \$3,475,000.00.
- (b) Additional Tenant Improvement Allowance \$1,000,000.00 in furniture, and medical equipment as specified in specification guidelines provided by Tenant.
- (c) Discretionary Tenant Improvement Allowance \$10.00 per square foot or \$206,280, the initial \$116,280 after commencement of lease and the remaining \$100,000 available after the 10<sup>th</sup> anniversary date.
- (d) Discretionary Tenant Improvement Payment: The Discretionary Tenant Improvement Allowance shall accrue interest at the rate of 8 % per annum and the Discretionary Tenant Improvement Allowance together with all accrued interest shall be repaid by Tenant within 60 days from Landlord's submission of the invoice to the Tenant of payments made from such funds. .
- (e) INTENTIONALLY OMITTED
- (f) Tenant's Work Letter Representative Thomas Shepos or an assigned staff person of the Chief Executive Office-Real Estate Division
- (g) Landlord's Work Letter To be determined

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(h) Landlord's Address for  
Work Letter Notice

566 South San Pedro Street  
Los Angeles, CA 90013  
Fax (213) 627-4031

(i) Tenant's Address for  
Workletter Notice

Board of Supervisors  
Kenneth Hahn Hall of Administration,  
Room 383  
500 West Temple Street  
Los Angeles, California 90012  
Fax Number: (213)626-7827

With a copy to:  
Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate  
Fax Number: (213)217-4971

1.3 Exhibits to Lease:

Exhibit A - Floor Plan of Premises  
Exhibit B- Legal Description of Property  
Exhibit C - Commencement Date  
Memorandum and Confirmation of Lease  
Terms  
Exhibit D - HVAC Standards  
Exhibit E - Cleaning and Maintenance  
Schedule

1.4 Landlord's Work Letter:  
(executed concurrently with this Lease and  
made a part hereof by this reference):

Landlord's Work Letter  
Addendum A: Base Building  
Improvements  
Addendum B: Tenant Improvements  
Addendum C: Form of Budget  
Addendum D: Costs of Tenant  
Improvements

1.5 Supplemental Lease  
Documents: (delivered to Landlord and  
made a part hereof by this reference):

Document I: Subordination, Non-  
disturbance and Attornment Agreement  
Document II: Tenant Estoppel Certificate  
Document III: Community Business  
Enterprises Form  
Document IV: Memorandum of Lease  
Document V: Request for Notice

2. PREMISES

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

3. COMMON AREAS. Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

#### 4. COMMENCEMENT AND EXPIRATION DATES

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within thirty (30) days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit C. The Commencement Date shall begin fifteen (15) days after Tenant's Acceptance of the Premises. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Premises are Substantially Complete, Tenant has inspected the Premises and Tenant has accepted the Premises. The term "Substantially Complete" or "Substantial Completion" as used in this Lease shall mean compliance with all of the following: (1) the shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises; (2) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease, including the installation of modular furniture systems, if so required (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises; (3) Landlord has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy for that portion of the Building that includes all of the Premises, or its equivalent; (4) Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease; and (5) if Landlord is responsible for the installation of telecommunication systems, then such systems shall be completely operational.

(b) Termination Right. If the Commencement Date has not occurred within one hundred twenty (120) days from the Projected Commencement Date, subject to Tenant Delays or Force Majeure Delays as provided in Landlord's Work Letter, which has been executed concurrently herewith, Tenant may thereafter, at any time before the Commencement Date



occurs, terminate this Lease effective upon the giving of written notice to Landlord and the parties shall have no further obligations to one another hereunder.

(c) Early Possession. Tenant shall be entitled to possession of the Premises not less than fifteen (15) days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Such early occupancy shall be subject to all provisions hereof but shall not advance the Termination Date, and Tenant shall not pay Basic Rent for such early occupancy period.

(d) Early Termination. Tenant may terminate this Lease effective on the 10th anniversary of the Commencement Date as defined in Section 1, by giving Landlord not less than one year or more prior written notice executed by the Chief Executive Officer of Tenant. In the event of such termination, Tenant shall pay Landlord a termination fee in an amount equal to the amounts of the unamortized Additional Tenant Improvement Allowance and the unamortized amount of any portion of the Discretionary Tenant Improvement Allowance used by Tenant and the amount of Base Tenant Improvements paid by the Landlord in excess of the sum described in paragraph 1.2(a). hereof; provided a finalized accounting of all Tenant Improvements has been provided by Landlord and reviewed and accepted by Tenant.

5. RENT. Tenant shall pay Landlord the Basic Rent stated in Section 1 during the Term hereof, provided Landlord files a payment voucher prior to the Commencement Date or thereafter and thereafter annually prior to the last day in the month of June with the Auditor of the County of Los Angeles (the "County"). Basic Rent for any partial month shall be prorated in proportion to the number of days in such month.

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy at sufferance, which is terminable only upon thirty (30) days written notice from Landlord or thirty (30) days written notice from the Chief Executive Officer of Tenant at 150% of the last monthly Basic Rent payable under this Lease (as such Basic Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW. Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or

improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

#### 9. DAMAGE OR DESTRUCTION.

(a)Damage. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days, then Landlord shall promptly, to the extent of available insurance proceeds, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately, upon notice by Tenant, secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten (10) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a material Default hereunder. Basic Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b)Tenant Termination Right. In the event any portion of the Premises is damaged by fire or any other cause, rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days for any reason, then Tenant may terminate this Lease by giving written notice within ten (10) days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Basic Rent shall be abated from the date the Premises became untenable. In the event that Tenant does not elect to terminate this Lease, Landlord shall have the right to terminate this Lease or shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided insurance proceeds are available to repair the damages.

(c)Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than thirty (30) days after such destruction, in which case (a)

Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date which is thirty (30) days after such written notice of termination..

(d) Default By Landlord. If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may declare a default hereunder..

## 10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant that to Landlord's knowledge, (i) the Premises, the Building and all Common Areas (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including use the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; and (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials in violation of applicable laws (as hereinafter defined) and (iv) Landlord has not received any written notice from any governmental agency that the Building or the Premises are in violation of any law or regulation. Landlord represents, based upon a professional inspection of the Premises and the Building and the Asbestos Report that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.

(b) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable (ii) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building (iii) the Common Areas; (iv) exterior windows of the Building; and (v) exterior walls including without limitation graffiti removal and pest control of the Building. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to: (1) the floor covering (if such floor covering is carpeting it shall be replaced as needed but not less often than after ten (10) years of use); (2) interior partitions; (3) doors; (4) the interior side of demising walls (which shall be repainted as

needed but not less often than every ten (10) years and (5) signage. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed, (b) be at least equal in quality, value and utility to the original work or installation, (c) be in accordance with all laws. Notwithstanding the foregoing, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by the acts and omissions of the Tenant or Tenant's agents, employees, contractors, licensees, subtenants, invitees or visitors or by equipment that is installed by Tenant. Tenant shall, at Tenant's sole expense, be responsible for maintaining repairing and replacing furniture, fixtures and equipment purchased with the Additional Tenant Improvement Allowance funds which are damaged or lost. All such repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Landlord, which approval shall not be unreasonably withheld or delayed, (b) be at least equal in quality, value and utility to the original work or installation, (c) be in accordance with all applicable laws. If Tenant fails to provide such repairs within a reasonable period of time, given the circumstances, but in no event later than five days, then Landlord may proceed to take the required action. Landlord shall be entitled to prompt reimbursement by Tenant of Landlord's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum.

(c) Tenant's Right to Repair. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than five (5) days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten (10) days, Tenant shall be entitled to deduct from Basic Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

## 11. SERVICES AND UTILITIES.

Landlord shall furnish the following services and utilities to the Premises; provided however, Landlord shall not be liable for any interruptions beyond Landlord's reasonable control:

(a) HVAC. Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other comparable buildings in the County of Los Angeles.

(b) Electricity. Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings but in any event not less than seven (7) watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

(c) Elevators. Deleted in its Entirety

(d) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(e) Janitorial. Landlord shall provide janitorial service on five (5) nights per week generally consistent with that furnished in comparable buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit E attached hereto. The County shall pay as additional rent the initial rate of \$200 per Saturday if janitorial services are provided on a Saturday. This rate will increase annually by the same percentage as the Basic Rent.

(f) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven (7) day per week, twenty-four (24) hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building.

(g) Trash. Landlord shall provide trash service generally consistent with that furnished in comparable buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit E attached hereto.

(h) Gas. Landlord shall make available gas service for normal use for heating and utility service meeting all applicable governmental standards for such purposes in the Premises.

Notwithstanding the above, Tenant agrees to pay, as additional monthly rent at the time the Basic Rent is due, all charges for "day porter service"



in connection with the Premises during the term of this Lease or renewal, extension, or holdover thereof, provided the Landlord provides a separate monthly billing. "Day porter services" shall be mutually agreed upon annually, between Landlord and Tenant.

12. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or Premises, Basic Rent shall be prorated based upon the percentage of the Premises or Building rendered untenable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

13. TENANT DEFAULT.

(a) Default. The occurrence of any one or more of the following events (a "Default") shall constitute a material default and breach of this Lease by Tenant:

(i) the failure by Tenant to make any payment of Basic Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten (10) days after written notice to Tenant;

(ii) the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of thirty (30) days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

(c) No Effect on Indemnity. Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(c) 19 and 20(b), Landlord shall be in default in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within fifteen (15)

days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(c)) ; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such fifteen (15) day period, Landlord shall not be deemed to be in default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the default by Landlord ("Landlord Default") is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured or Landlord has not commenced such cure within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of ten (10%) per annum from the installments of Basic Rent next falling due; (ii) to pursue the remedy of specific performance; or (iii) to terminate this Lease.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

15. ASSIGNMENT AND SUBLETTING. Tenant may not assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent, which shall not be unreasonably withheld. No such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is sufficient for it to be responsible for all future obligations under this Lease.

#### 16. ALTERATIONS AND ADDITIONS.

(a) Landlord Consent. Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. If Landlord fails to respond in writing within thirty (30) days of such request, Landlord shall be deemed to approve the Alterations.

(b)End of Term. Any Alterations not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

## 17. CONDEMNATION.

(a)Controlling Terms. If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b)Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c)Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within thirty (30) days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within thirty (30) days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within ninety (90) days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of

Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) Award. Landlord shall be entitled to the entire Award (as defined below) except that Tenant may file a separate claim for moving and relocation expenses.

(f) Waiver of Statute Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

#### 18. INDEMNIFICATION.

(a) Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act or omission or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees, subtenants, or invitees or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the gross negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees.

(b) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, subtenants, agents, employees or invitees.

#### 19. INSURANCE.

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially

reasonable rates) and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000 and (3) personal and advertising injury of \$1,000,000.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease shall constitute a material breach of this Lease

(b) Insurance Requirements. All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Tenant shall be written as primary policies, not contributing with, and not in excess of coverage which Landlord may carry.

(c) Certificates. Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least fifteen (15) days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates must document that each party has named the other as an additional insured (or its equivalent) on its general liability policy,. Further, all certificates shall expressly provide that no less than thirty (30) days', (or 10 days in the event of a failure to pay premiums) prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(d) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

(e) Tenant's Insurance. During the term of this Lease, Tenant will maintain in full force and effect the types and amounts of insurance described below with respect to the Premises and Tenant's employees (Tenant, at its sole option, shall use commercial insurance and/or self-insurance or any combination thereof to satisfy these requirements):

	<u>Types</u>	<u>Amounts</u>
(a)	Worker's Compensation	In accordance with applicable statutes
(b)	Employer's Liability	\$1,000,000 bodily injury each accident \$1,000,000 bodily injury by disease

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(c)	General Liability	\$5,000,000 each occurrence combined single limit bodily injury and property damage (which can be comprised of a combination of primary and umbrella policies on a following form basis)
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## 20. PARKING.

(a) Tenant's Rights. Tenant shall have the right to the number of unreserved parking stalls set forth in Section 1 without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

(b) Remedies. Landlord acknowledges that it is a material term of this Lease that Tenant receive all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the Parking Spaces required above are not available to Tenant, (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation) Tenant may make a one time deduction of \$400 from the Basic Rent for the following month for each lost parking space.

## 21. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects,

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including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects.

As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

(b) Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

(c) Tenant Indemnity. Tenant shall indemnify, protect, defend (by counsel acceptable to Landlord) and hold harmless Landlord from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Tenant shall promptly deliver to Landlord a copy of any notice received from any

governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Tenant's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Tenant under this Section shall constitute a material default under this Lease.

22. ESTOPPEL CERTIFICATES. Tenant shall, within thirty (30) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit "E" attached hereto and incorporated herein, but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. TENANT IMPROVEMENTS. Prior to the Commencement Date, Landlord shall construct the Tenant Improvements in the manner set forth in the Landlord's Work Letter executed by Landlord and Tenant concurrently herewith.

24. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant.

#### 25. SUBORDINATION AND MORTGAGES

(a) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Exhibit "F" attached hereto and incorporated herein, or such other commercially reasonable form as may be required by Landlord's lender, and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

(b) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of Default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten (10) days within which to cure such Default.

26. SURRENDER OF POSSESSION. Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a



"broom-clean" condition and in a state of reasonably good condition and repair, ordinary wear and tear excepted. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

27. SIGNAGE. Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances. Landlord retains the sole and exclusive right to name the Building and affix appropriate signs that conform with any and all applicable laws and ordinances. Tenant agrees to include and use the name of the Landlord as part of the name of the medical center. Landlord shall have the right to approve or disapprove such name, which approval shall not be unreasonably withheld.

28. QUIET ENJOYMENT. So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

29. GENERAL

(a)Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b)Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c)Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

(d)Entire Agreement. This Lease (and the Landlord's Work Letter and Supplemental Lease Documents) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(e) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all reasonably necessary information.

(k) Community Business Enterprises. Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Exhibit "F" attached hereto and incorporated herein.

(l) Force Majeure. If either party shall be prevented or delayed from punctually performing any obligation or satisfying any condition under this Lease (other than an obligation or condition requiring the making of any payment hereunder) by any strike, lockout, labor dispute, inability to obtain labor or

materials or reasonable substitutes therefor, Act of God, governmental restriction, regulation or control, enemy or hostile governmental action, civil commotion, insurrection, sabotage, fire or other casualty, or any other unforeseeable condition beyond the reasonable control of such party, then the time to perform such obligation or satisfy such condition shall be extended for a period equal to the duration of the delay caused by such event.

30. AUTHORITY. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of the County or its delegee (the "Chief Executive Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Basic Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

### 31. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the landlord's submission being eliminated from consideration.

(a) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Basic Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

(iii) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County.

(iv) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by

reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Basic Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Tenant hereby consents to the release of information contained within this Lease and the documents attached hereto. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. IRREVOCABLE OFFER. In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section.

33. RENT ADJUSTMENT. Basic Rent shall be adjusted on the first day of June 2009 and thereafter on the first day of the first full month following the first anniversary of the Commencement Date (which shall mean the first day of the applicable Term) for each year remaining of the applicable Term, on the anniversary of such day (the "Adjustment Date"), as follows:

Basic Rent shall be increased on each and every Adjustment Date by four percent (4%) above the Basic Rent in effect immediately prior to such Adjustment Date.

34. OPTION TO EXTEND.

(a) Terms of Options. Provided that no material Default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have two (2) options to renew this Lease for an additional period of sixty (60) months each (respectively, the "First Extension Term" and the "Second Extension Term", and collectively, the "Extension Term(s)").

(b) Exercise of Option. Tenant must exercise its options to extend this Lease by giving Landlord written notice of its intention to do so by letter from the Tenant's Chief Executive Office no later than one year prior to the end of the initial Term, or the First Extension Term, as applicable. The actual exercise of the option(s) shall be only by the Tenant's Board of Supervisors.

(c) Terms and Conditions of Extension Terms. The Extension Terms shall be on all the terms and conditions of this Lease, including Rent stated in (d) below [except that Landlord shall have no additional obligation for free rent, leasehold improvements or for any other tenant inducements for the Extension Terms]. In no event shall Landlord be responsible for payment of any brokerage fees or commissions to any broker or finder retained by Tenant or representing Tenant.

(d) Rental Rate during Extension. Tenant shall pay rent during the extension term as follows:

First Option Period	The rent rate in the 15 <sup>th</sup> year plus 4%, to increase by 4% annually.
Second Option Period	The rent rate in the 20 <sup>th</sup> year, plus 4%, to increase by 4% annually.

### **35. TERMINATION OF EXISTING LEASE AGREEMENTS:**

Lessor and Lessee mutually agree that upon commencement of this Lease, that part of lease agreement No. 51870, first floor space encompassing 8,104 rentable square feet shall terminate and that part of lease agreement No. 51870, ninth floor space, encompassing 10,408 rentable square feet shall continue in full force.

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

By: 

Name: Gregory C. Scott

Its: President & CEO

TENANT:

COUNTY OF LOS ANGELES  
a body politic and corporate

By: \_\_\_\_\_

Name: \_\_\_\_\_

Chair, Board of Supervisors  
\_\_\_\_\_

ATTEST:

Sachi A. Hamai  
Executive Officer-Clerk  
of the Board of Supervisors

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER JR.  
County Counsel

By:   
Deputy: Amy M. Caves

EXHIBIT A  
FLOOR PLAN OF PREMISES  
(Attached)





EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

(Attached)

THOSE PORTIONS OF THE LAND MARKED "P. CASENAVE", IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ON MAP RECORDED IN BOOK 36 PAGE 28 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

PARCEL 1:

BEGINNING AT A POINT IN THE EASTERLY LINE OF SAN PEDRO STREET, DISTANT SOUTH 29° 19' WEST 127.20 FEET FROM THE SOUTHEAST CORNER OF FIFTH AND SAN PEDRO STREETS; AS SHOWN ON THE MAP RECORDED IN BOOK 42 PAGE 16 OF MISCELLANEOUS RECORDS; THENCE ALONG SAID EAST LINE SOUTH 29° 19' WEST 120.925 FEET TO A POINT IN THE CENTER LINE OF A 13 INCH BRICK WALL; THENCE ALONG SAID CENTER LINE SOUTH 53° 18' 40" EAST 99.72 FEET; THENCE SOUTH 29° 28' 10" WEST 3.16 FEET TO THE CENTER LINE OF A 12 1/2 INCH BRICK WALL; THENCE ALONG SAID CENTER LINE, SOUTH 59° 48' 30" EAST 79.68 FEET TO A LINE PARALLEL WITH SAID EAST LINE OF SAN PEDRO STREET, AND DISTANT SOUTH 53° 24' EAST 180 FEET THEREFROM; THENCE NORTHERLY PARALLEL WITH THE EAST LINE OF SAN PEDRO STREET TO A LINE BEARING SOUTH 53° 24' EAST FROM THE POINT OF BEGINNING; THENCE NORTH 53° 24' WEST 180 FEET TO THE POINT OF BEGINNING.

EXHIBIT C

COMMENCEMENT DATE MEMORANDUM  
AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated \_\_\_\_\_, 2008, between County of Los Angeles, a body politic and corporate ("Tenant"), and WEINGART CENTER ASSOCIATION ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 512-522 South San Pedro Street, Los Angeles, CA 90013 ("Premises"),

Landlord and Tenant hereby acknowledge as follows:

- (1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on \_\_\_\_\_ ("Possession Date");
- (2) Tenant has accepted possession of the Premises and now occupies the same;
- (3) The Lease commenced on \_\_\_\_\_ ("Commencement Date");
- (4) The Premises contain 20,628 rentable square feet of space; and
- (5) Basic Rent Per Month is \_\_\_\_\_.

IN WITNESS WHEREOF, this Memorandum is executed this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

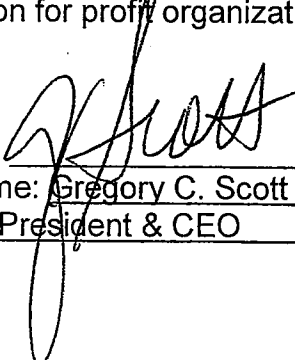
"Tenant"

COUNTY OF LOS ANGELES,  
a body politic and corporate

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

"Landlord"

Weingart Center Association,  
a non for profit organization

By:   
Name: Gregory C. Scott  
Its: President & CEO

## EXHIBIT D

### HVAC STANDARDS

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one control device for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

## EXHIBIT E

### CLEANING AND MAINTENANCE SCHEDULE

#### 1. MONTHLY

A. HVAC chiller water checked for bacteria, water conditioned as necessary.

#### 2. QUARTERLY

A. HVAC units serviced for preventative maintenance purposes, all filters changed.

#### 3. SEMI-ANNUALLY

A. Windows washed as required inside and outside but not less frequently than twice annually.

B. All painted wall and door surfaces washed and stains removed.

C. All walls treated with vinyl covering washed and stains removed.

#### 4. AS NEEDED

A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.

B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.

C. All walls repainted and wall coverings replaced throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event will Landlord be required to repaint or replace wall coverings more than one (1) time in a five (5) year period (the "Occurrence"). The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute an Occurrence for the purpose of determining the frequency of this work.

#### 5. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts or other appropriate documentation as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

**SUPPLEMENTAL LEASE DOCUMENTS**

**For**

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AND AGREEMENT**

**DEPARTMENT: HEALTH SERVICES, PUBLIC HEALTH, CHILDREN AND  
FAMILY SERVICES, PUBLIC SOCIAL SERVICES, AND MENTAL HEALTH as  
Tenants**

**LANDLORD: WEINGART CENTER ASSOCIATION**

**512-522 SOUTH SAN PEDRO STREET, LOS ANGELES 90013**

**\*\*\*\*\***

**Document I - Subordination, Nondisturbance and Attornment Agreement**

**Document II - Tenant Estoppel Agreement**

**Document III - Community Business Enterprises Form**

**Document IV - Memorandum of Lease**

**Document V - Request for Notice**

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**DOCUMENT I**

**SUBORDINATION, NONDISTURBANCE  
AND ATTORNMENT AGREEMENT**

AND WHEN RECORDED MAIL TO: )

County of Los Angeles )

Chief Executive Office )

Real Estate Division )

222 South Hill Street )

3rd Floor )

Los Angeles, California 90012

Space above for Recorder's Use

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**SUBORDINATION, NONDISTURBANCE  
AND ATTORNMENT AGREEMENT**

**NOTICE: THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.**

This Subordination, Nondisturbance and Attornment Agreement ("Agreement") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 200\_\_ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), [*Insert name of Landlord*], ("Borrower") and [*Insert name of Lender*], ("Lender").

**Factual Background**

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Tenant and Borrower (as "Landlord") entered into a lease dated \_\_\_\_\_ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a nondisturbance provision, all as set forth more fully below.

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## Agreement

Therefore, the parties agree as follows:

1. Subordination. The lien of the Deed of Trust and all amendments, modifications and extensions thereto shall be and remain at all times a lien on the Property prior and superior to the Lease, except that if Tenant is granted any option to extend the Term of the Lease, right of first offer to lease additional premises, option to purchase the Property, or right of first offer to purchase the Property in the Lease, such provisions shall not be affected or diminished by any such subordination, which is conditioned upon the nondisturbance agreement of Borrower and Lender in Section 3 of this Agreement.

2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser", as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

3. Nondisturbance. The Transfer of the Property or any enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby, or deprive Lessee of any other property rights granted pursuant to the Lease.

4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

6. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Borrower:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Tenant:

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by and construed in accordance with the internal laws of the State of California without regard to the choice of law rules of that State. Any litigation with respect to this Agreement shall be conducted in the County of Los Angeles, State of California.

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APPROVED AS TO FORM

RAYMOND G. FORTNER, JR.  
County Counsel

By: \_\_\_\_\_

Deputy

TENANT: COUNTY OF LOS ANGELES,  
a body politic and corporate

By: \_\_\_\_\_  
William L. Dawson  
Acting Director of Real Estate

BORROWER: *[Insert name of Landlord]*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LENDER: *[Insert name of Lender]*,

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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**DOCUMENT II**  
**TENANT ESTOPPEL CERTIFICATE**

To: [Insert name of party to rely on document]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Re:   Date of Certificate: \_\_\_\_\_  
      Lease Dated: \_\_\_\_\_  
      Current Landlord: \_\_\_\_\_  
      Located at: \_\_\_\_\_  
      Premises: \_\_\_\_\_  
      Commencement Date of Term: \_\_\_\_\_  
      Expiration Date: \_\_\_\_\_  
      Current Rent: \_\_\_\_\_

County of Los Angeles ("Tenant") hereby certifies that as of the date hereof:

1.     Tenant is the present owner and holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Premises") in the building (the "Building") at the address set forth above.

2.     (a)    A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

      (b)    The current Rent is set forth above.

      (c)    The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Except as specified in the Lease, Tenant has no option or right to renew, extend or cancel the Lease.

      (d)    Except as specified in the Lease, Tenant has no option or right to lease additional space in the Premises or Building or to use any parking.

      (e)    Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).

      (f)    Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession except as expressly set forth in the Lease.

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3. (a) The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified, changed, altered or amended and is in full force and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

(b) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.

(c) The interest of Tenant in the Lease has not been assigned or encumbered. Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease except as set forth in the Lease. No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full and all of Landlord's obligations with respect to tenant improvements have been fully performed.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
William L. Dawson  
Acting Director of Real Estate

APPROVED AS TO FORM  
Raymond G. Fortner, Jr.  
County Counsel

By: \_\_\_\_\_  
Deputy

**DOCUMENT III**

**COMMUNITY BUSINESS ENTERPRISES FORM**

INSTRUCTIONS: All Landlords shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of MBE/WBE participation. The information requested below is for statistical purposes only. On final analysis and consideration of lease will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

I. MINORITY/WOMEN PARTICIPATION IN FIRM (Partners, Associates  
Partners, Managers, Staff, etc.)

FIRM: NAME

ADDRESS

CONTACT

TELEPHONE NO.

TOTAL NUMBER OF EMPLOYEES IN FIRM: \_\_\_\_\_

	OWNERS/PARTNERS ASSOCIATE PARTNERS	MANAGERS	STAFF
Black/African American	_____	_____	_____
Hispanic/Latin America	_____	_____	_____
Asian American	_____	_____	_____
Portuguese American	_____	_____	_____
American Indian/ Alaskan Native	_____	_____	_____
All Others	_____	_____	_____
Women (Should be included in counts above <u>and</u> also reported here separately)	_____	_____	_____

II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

TYPE OF BUSINESS STRUCTURE: \_\_\_\_\_

\_\_\_\_\_ (Corporation, Partnership, Sole Proprietorship, etc.)

TOTAL NUMBER OF OWNERSHIP/PARTNERS, ETC.: \_\_\_\_\_

PERCENTAGE OF OWNERSHIP

Black/African American \_\_\_\_\_  
Hispanic/Latin American \_\_\_\_\_  
Asian American \_\_\_\_\_  
Portuguese American \_\_\_\_\_  
American Indian/ \_\_\_\_\_  
Alaskan Native \_\_\_\_\_  
All Others \_\_\_\_\_  
Women \_\_\_\_\_  
(Should be included in counts  
above and also reported  
here separately)

III. CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

IS YOUR FIRM CURRENTLY CERTIFIED AS A MINORITY OWNED BUSINESS  
FIRM BY THE:

State of California?	Yes	No
City of Los Angeles?	Yes	No
Federal Government?	Yes	No

IV. FIRM'S DESIRE NOT TO RESPOND TO INFORMATION

WE DO NOT WISH TO PROVIDE THE INFORMATION REQUIRED IN THIS  
FORM.

Firm Name: *Gregory C. Scott*

Signed: *[Signature]*

Date: *7/28/08*

Title: *President + CEO*

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**DOCUMENT IV**

**MEMORANDUM OF LEASE**

**RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:**

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street  
3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

This document is recorded for the benefit of the County of Los Angeles and recording is exempt from recording fees pursuant to California Government Code Section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code Section 11922.

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**MEMORANDUM OF LEASE**

This Memorandum of Lease ("Memorandum") is made and entered into by and between \_\_\_\_\_ (the "Landlord"), and the COUNTY OF LOS ANGELES, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Tenant") who agree as follows:

Landlord and Tenant hereby enter a Lease of certain property (the "Lease") in the County of Los Angeles, State of California, described in Exhibit A attached hereto and incorporated herein by reference, for a term commencing on \_\_\_\_\_, 20\_\_\_\_, and ending on a date \_\_\_\_\_ ( ) years after the commencement date, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in a certain unrecorded Lease between Landlord and Tenant dated \_\_\_\_\_, 200\_\_.

[Tenant has the option to extend the term of the Lease for a period of \_\_\_\_ ( ) years, subject to the terms and conditions of the Lease.]



This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.

Dated: \_\_\_\_\_, 20\_\_.

LANDLORD:

TENANT:

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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**DOCUMENT V**  
**REQUEST FOR NOTICE**

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street  
3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

---

**REQUEST FOR NOTICE**

**(UNDER SECTION 2924B CIVIL CODE)**

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust described below:

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

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Beneficiary

be mailed to County of Los Angeles, Chief Executive Office, Real Estate Division, 222  
South Hill Street, 3rd Floor, Los Angeles, California 90012, Attention: Director of Real  
Estate.

"LENDER:

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
SIGNEE'S NAME

Its:     SIGNEE'S TITLE

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

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COUNTY OF \_\_\_\_\_ ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, \_\_\_\_\_  
\_\_\_\_\_ a Notary Public in and for the State of California, personally appeared \_\_\_\_\_  
\_\_\_\_\_ personally known to me (or proved on the  
basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the  
within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed  
the instrument.

WITNESS my hand and official seal

Signature \_\_\_\_\_

My commission expires \_\_\_\_\_.

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**LANDLORD'S WORK LETTER**

**For**

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AND AGREEMENT**

**DEPARTMENT: DHS, DPH, DPSS, DCFS and DMH, as Tenants**

**LANDLORD:**

**WEINGART CENTER ASSOCIATION**

**Address**

**512-522 SAN PEDRO STREET, LOS ANGELES 90013**

## LANDLORD'S WORK LETTER

This Work Letter supplements the Lease (the "Lease") dated \_\_\_\_\_, 20\_\_\_\_, executed concurrently herewith, by and between WEINGART CENTER ASSOCIATION as Landlord, and COUNTY OF LOS ANGELES as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. Basic Work Letter Information. The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

(a) <u>Base Tenant Improvement Allowance</u>	\$ 3,475,000 (i.e., \$ 168.46 per rentable square foot of the Premises)
(b) <u>Additional Tenant Improvement Allowance</u>	\$ 1,000,000 (i.e., \$ 48.48 per rentable square foot of the Premises)
(c) <u>Discretionary Tenant Improvement Allowance</u>	\$ 216,280 (i.e., \$ 10.00 per rentable square foot of the Premises)
(d) <u>Additional Tenant Improvement and Change Order Amortization Rate:</u>	8 % per annum
(e) <u>Basic Rent Reduction per \$1,000</u>	N/A
(f) <u>Tenant's Work Letter Representative</u>	Thomas Shepos or an assigned staff person of the Chief Executive Office-Real Estate Division
(g) <u>Landlord's Work Letter Representative</u>	Gregory C. Scott or an assigned staff person
(h) <u>Landlord's Address for Work Letter Notice</u>	Weingart Center Association 566 S San Pedro Street Los Angeles, CA 90013
(i) <u>Tenant's Address for Work Letter Notice</u>	Board of Supervisors Kenneth Hahn Hall of Administration Room 383 500 West Temple Street Los Angeles, California 90012 With a copy to: Chief Executive Office- Real Estate Division 222 South Hill Street, 3 <sup>rd</sup> Floor

	Los Angeles, California 90012 Attention: Director of Real Estate Fax Number: (213) 217-4971
(j) Addenda	Addendum A: Base Building Improvements Addendum B: Tenant Improvements Addendum C: Form of Budget Addendum D: Costs of Tenant Improvements

## 2. Construction of the Building.

2.1 Base Building Improvements. Landlord has constructed or shall construct the base Building improvements as a part of the Building described on Addendum A hereto (the "Base Building Improvements"). To the extent that the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall be considered Tenant Improvements (as defined below) only to the extent such changes or additions are specifically described in Addendum B hereto.

### 2.2 Additional Costs Not Tenant Improvement Costs

(a) In the event that the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred had the Building been in compliance with such codes, such costs shall not be included in the calculation of Tenant Improvement Costs as defined below and Tenant shall have no financial responsibility for such costs.

(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA or make existing building systems, including, but not limited to, electrical service and HVAC equipment, fully operational shall be at Landlord's sole cost and expense. Tenant Improvement Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes", (ii) fire sprinkler system installation or upgrade, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, or (v) supervision or overhead costs of Landlord.

(c) Landlord shall be solely responsible for all costs and expenses necessary to increase permitted structural floor loading in order to accommodate Tenant's libraries, file rooms, unusual live loads and other such uses.

2.3 Base Building Plans. Landlord has delivered to Tenant "as built" plans and specifications for the Building in an AutoCAD 2000 format. In the event Tenant incurs additional costs because such plans and specifications are incomplete or inaccurate, such increased costs will

be reimbursed to Tenant and any delay caused thereby shall not be a Tenant Delay, as defined below.

3. **Selection of Architect and Engineer.** Landlord shall promptly solicit at least three (3) proposals from qualified licensed architects ("Architect") and engineers ("Engineer") familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings as defined below. The Architect and the Engineer shall be selected by Landlord subject to Tenant's consent, which consent shall not be unreasonably withheld, and which consent (or refusal to consent for reasonable reasons) shall be granted within three (3) business days after Landlord has submitted the name of the Architect and the Engineer to Tenant together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until the Architect and the Engineer is/are finally approved by Tenant and written consent has been delivered to and received by Landlord.

4. **Selection of Contractor** The Final Plans, as defined below, and a proposed construction contract approved by Tenant, shall be submitted to contractors, selected by Landlord and approved by Tenant, sufficient in number so that a minimum of three (3) bids are received. Each approved contractor shall be requested to submit a sealed fixed price contract bid price (on such contract form as Landlord shall designate) to construct the Tenant Improvements designated on the Final Plans. Landlord and Tenant shall jointly open and review the bids. Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price and such contractor ("Contractor") shall enter into a construction contract ("Construction Contract") with Landlord consistent with the terms of the bid to construct the Tenant Improvements.

5. **Preparation of Plans and Specifications and Construction Schedule.**

5.1 **Preparation of Space Plan.** Concurrently with the execution of this Lease, Tenant shall submit to Landlord a space plan and specifications for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (the "Space Plan").

5.2 **Preparation and Approval of Working Drawings.** Within ten (10) days of the date the Space Plan is submitted to Landlord (the "Plan Submission Date"), Landlord shall instruct the Architect to commence preparation of Working Drawings (the "Working Drawings"), which shall be compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and contain all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion as has from time to time been submitted, for review. Landlord shall be solely responsible for insuring that the Working Drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect.

5.3 **Preparation and Approval of Engineering Drawings.** Landlord shall cause the Architect to coordinate all engineering drawings prepared by the Engineer, showing complete mechanical, electrical, plumbing, and HVAC plans ("Engineering Drawings") to be integrated into



the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has approved the Engineering Drawings, Landlord shall cause the Architect to integrate the approved Working Drawings with the approved Engineering Drawings (collectively "Final Plans") and deliver five (5) sets of the Final Plans to Tenant. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements) and power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements.

5.5 Approval of Plans by Tenant. Approval by Tenant shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements.

5.6 Schedule. Within thirty (30) days after the Plan Submission Date, Landlord shall submit to Tenant a detailed construction schedule, subject to approval by Tenant which approval shall not be unreasonably withheld, setting forth the dates specific completion of certain project benchmarks including, but not limited to, completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of construction contract, construction commencement, construction completion, Projected Commencement Date and other similar dates. As the construction continues, Landlord shall amend the schedule from time to time to reflect any changes to the projected dates.

## 6. Final Construction Budget and Payment of Tenant Construction Costs

6.1 Construction Budget. Within three (3) days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary budget (the "Preliminary Budget") in a format similar to Addendum C attached hereto. Such budget shall be revised into final form within ten (10) days from the date the Contractor is selected and will be referred to herein as the "Final Construction Budget". Tenant shall have five (5) days from the date of receipt of the Final Construction Budget to approve or disapprove the Final Construction Budget. Construction of the Tenant Improvements shall not begin until such time as Tenant indicates its approval or disapproval of the Final Construction Budget or the five (5) day period expires without any response from Tenant. In the event Tenant disapproves the Final Construction Budget due to matters related to cost and the Final Construction Budget is ten percent (10%) or more higher in cost than was projected in the Preliminary Construction Budget, then any delay caused by the necessity to rebid or redesign the Tenant Improvements shall not be considered a Tenant Delay. Landlord shall review the Space Plan, Working Drawings, Engineering Drawings and Final Plans at its sole cost and expense. No fee for profit, overhead or general conditions in connection with the construction of the Tenant Improvements shall be included in the Final Construction Budget unless approved by Tenant.

6.2 Additional Tenant Improvement Allowance. All improvements required by the Working Plans and modular furniture described in the Modular Specifications, as further described in Addendum B hereto, shall be Tenant Improvements and shall be at Landlord's sole cost and expense ("Tenant Improvements"). Costs of Tenant Improvements shall include costs for furniture, telecommunications equipment, medical equipment and any other costs designated in writing by Tenant in the aggregate not to exceed the Base Tenant Improvement Allowance, the Additional Tenant Improvement Allowance and costs of Change Orders, as defined below ("Tenant Improvement Costs"). Landlord shall be solely responsible for any delay or increased cost in completing the Tenant Improvements except for delays or costs arising from Tenant Delays as defined below. It is anticipated that the Tenant Improvement Costs will exceed the Tenant Improvement Allowance so that Tenant may authorize Landlord to pay the overage in an amount not exceeding the Additional Tenant Improvement Allowance. The amount of the Additional Tenant Improvement Allowance shall be paid to Landlord as provided herein.

6.3 Method of Payment. That portion of the Additional Tenant Improvement Allowance used to pay for the Tenant Improvement Costs may, at Tenant's election be paid to Landlord (i) in a lump sum when the Tenant Improvements are Substantially Complete, or (ii) in amortized monthly payments over the term of the Lease at the Tenant Improvement Amortization Rate. Tenant may at any time during the Term prepay Landlord in a lump sum for all or any portion of the Tenant Improvement Costs, amortizing any remaining amount in monthly payments over the term of the Lease at the Tenant Improvement Amortization Rate.

## 7. Construction of Tenant Improvements.

7.1 Tenant Improvements. Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B hereto. If any work required by the Final Plans is not described on Addendum B hereto the work shall be performed by Landlord at its own cost and expense and not included in the cost of Tenant Improvements.

7.2 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and materials providers providing labor and/or materials for the Tenant Improvements shall be selected only after three (3) bids have been solicited from responsible and qualified persons. Landlord shall submit three (3) sealed fixed price bids for the construction of the Tenant Improvements to Tenant for its review prior to the award of the Construction Contract. The bids shall be jointly opened and reviewed. The bids shall include an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Three (3) bids for the purchase and installation of the office furniture system, prepared by the furniture dealer, shall be included in the construction estimates, if applicable.

(a) Permits. Landlord shall secure the approval of governmental authorities, and all permits required by governmental authorities having jurisdiction over such approvals and permits for the Tenant Improvements, promptly after approval of the Final Plans.

(b) Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within fifteen (15) days after issuance of all such necessary permits. Landlord shall commence and, once commenced, shall thereafter diligently proceed to construct and complete all Tenant Improvements, subject to any cessation that may be caused by Force Majeure Delays.

7.3 Construction. Construction of the Tenant Improvements will be subject to the following terms and conditions:

(a) Notice of Nonresponsibility. Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of nonresponsibility by Tenant.

(b) Decorating Decisions. All design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, carpeting and any or all other decorator selection efforts required by Tenant, shall be provided by Landlord at Landlord's expense in accordance with Tenant's Space Plan. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

(c) Clean-Up and Substandard Work. Landlord will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises themselves or in other areas utilized by Landlord or its contractors, and agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of substandard work performed by Landlord's contractor or contractors (as reasonably determined by Tenant according to the usual standards of work in the Building) or as a result of inadequate clean-up.

(d) Compliance with Laws. Construction of the Tenant Improvements shall comply with all applicable laws and regulations and shall be subject to the general inspection of Tenant. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including, but not limited to, all provisions of the Labor Code of the State of California. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site.

7.4: Conformed Plans. Within sixty (60) days after Substantial Completion of the Tenant Improvements and receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted on three and one-half inch (3½") 1.4Mb magnetic media diskettes in Auto CAD R 12.dwg (or later version) format or .DXF format, along with one complete set of mylar transparencies of drawings and one complete set of specifications.

8. Change Orders. Tenant and Landlord may make changes, additions, deletions or alterations in the Final Plans ("Change Order") provided both Tenant and Landlord approve such changes in writing. The amount of the Maximum Change Order Allowance set forth in Section 1 has been authorized by the Board of Supervisors of the County to be used to pay the costs of all authorized Change Orders but only the Chief Administrative Officer is authorized to approve Change Orders on behalf of Tenant and then only if the aggregate amount of such approved Change Orders does not exceed the Maximum Change Order Allowance. Tenant may elect to pay for Change Orders (a) in a lump sum upon Substantial Completion of the Tenant Improvements, or (b) amortize the costs over the term of the Lease at the Change Order Amortization Rate per month for each ONE THOUSAND DOLLARS (\$1,000.00) of Change Order costs. Landlord shall submit to the Chief Administrative Officer with each requested Change Order (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Orders previously approved, and

(iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Order must be signed and dated by the Chief Administrative Officer.

## 9. **Furniture System**

9.1 Tenant shall deliver to Landlord within ten (10) days after execution hereof, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Landlord and /or Landlord's architect, shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors. Prior to submission for bids, Landlord shall review the bid package with Tenant and Tenant shall have the right to approve or disapprove the bid package. Landlord shall provide at its cost the modular furniture set forth in the Modular Specifications and shall not be responsible for the cost of such modular furniture in excess of the Additional Tenant Improvement Allowance. Tenant shall reimburse the Landlord in a lump sum or in accordance with a financed transaction entered into between Landlord and the furniture vendor acceptable to the Tenant, including, but not limited to, a lease purchase agreement, provided the outstanding balance can be no more than One Dollar (\$1) at the end of a term not to exceed one hundred twenty (120) months.

9.2 Tenant may opt to finance the lump-sum payment for the cost of modular furniture through lease-purchase financing with a third-party Landlord (Creditor"). In the event the Tenant elects to enter into a lease-purchase financing of the furniture and telecommunications equipment (the "Personal Property") through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the realty or real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage occasioned by such removal shall be repaired by Creditor.

(b) Landlord shall be notified by Creditor of any plan by Creditor to remove the Personal Property.

(c) This section shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

(d) Landlord does hereby waive any right to gain possession of any of Personal Property during the term of this Lease.

10. **Tenant Improvement Costs Adjustment and Right to Audit.** Within five (5) days of the issuance of a Certificate of Occupancy, or a final sign-off by the City of Los Angeles, which ever occurs first, Landlord shall provide to Tenant a statement showing in reasonable detail all Tenant Improvement Costs and the total amount payable hereunder by Tenant to Landlord. Upon approval of the statement by Tenant, payments by either party pursuant to the Lease and this Landlord's Work Letter shall be adjusted a appropriate, based upon such statement. Tenant shall have the right to audit these costs for a period of twenty-four (24) months from the date of acceptance by Tenant of the Premises. In the event the audit shows that Tenant is entitled to a reduction in payments to the Landlord under this Landlord's Work Letter, Tenant shall provide

Landlord with a copy of the audit summary and Landlord shall pay Tenant the amount of any over-payment made by Tenant within thirty (30) days and future payments shall be adjusted as appropriate based upon the audit results.

11. **Exclusions.** The Tenant Improvement cost shall not include any costs incurred for asbestos abatement, fire sprinkler system, or conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. All work for required asbestos abatement, fire sprinkler system, or air conditioning system conversion shall be performed at the sole cost and expense of Landlord.

12. **Telephone/Computer Room and Equipment.** Landlord shall complete the telephone equipment room(s) including permanent power and HVAC, in compliance with the Space Plan and specifications provided by Tenant, at least thirty (30) days prior to the Projected Commencement Date. During this thirty (30) day period, the Landlord shall be responsible for any telephone/data equipment delivered to the site for programming prior to the Projected Commencement Date.

13. **Delay.**

13.1. **Tenant Delays and Force Majeure Delays.** Except as set forth herein, no delay in the completion of construction of the Tenant Improvements shall be considered in the determination of the Commencement Date of the Lease and, except as set forth herein or in the Lease, under no circumstance shall Tenant be charged with any delay whatsoever as a result of delay in the construction of Tenant Improvements. Subject to the provisions of Section 13.2, the Projected Commencement Date set forth in the Lease shall be extended one (1) day for each day that: (i) Tenant fails or refuses to give authorizations or approvals within the time periods required herein but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (ii) Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

13.2. **Limitations.**

(a) **Notice.** No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless Landlord has provided written notice, within forty eight (48) hours of the event giving rise to such claim, in compliance with the Lease, to Tenant specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred only commencing as of the date Tenant received such notice from Landlord.

(b) **Mitigation.** Tenant Delays and Force Majeure Delays shall delay the Projected Commencement Date only in the event that Substantial Completion of the Tenant Improvements is delayed, despite Landlord's reasonable efforts to adapt and compensate for such delays, which efforts Landlord shall be obligated to make (provided such additional cost incurred by Landlord due to such effort does not exceed \$1,000 on a cumulative basis, unless Tenant agrees to pay to such excess).

(c) **Concurrent Delays.** Tenant Delays and Force Majeure Delays shall be recognized hereunder only to the extent the same are not concurrent with any other Tenant Delay

or Force Majeure Delay which is effective hereunder. For example, if there are ten (10) days of Tenant Delays and four (4) days of Force Majeure Delays which occur during the same ten (10) day period of such Tenant Delays, then the Projected Commencement Date would be extended by only ten (10) days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, the Projected Commencement Date would be extended by fourteen (14) days.

(d) Change Orders. Landlord may not claim that a Change Order requested by Tenant was the cause of a delay in the construction of the Tenant Improvements unless the anticipated delay is specified in writing in the Change Order authorization.

14. **Tenant Remedies**. If Landlord fails to obtain the building permit to construct the Tenant Improvements within a reasonable time, taking all factors into consideration, or if Tenant Improvements have not been completed within sixty (60) days from the Projected Commencement Date, Tenant may, at its option:

14.1. Cancel the Lease upon thirty (30) days written notice to Landlord; or

14.2. Upon thirty (30) days written notice to Landlord, assume the responsibility for providing the Tenant Improvements itself. If Tenant elects to provide tenant improvements itself, then:

(a). Tenant, its officers, employees, agents, contractors and assignees, shall have free access to the Premises and the Building at all reasonable times for the purpose of constructing the Tenant Improvements and for any other purposes reasonably related thereto; and

(b). Rent shall be reduced by Tenant's total expense in constructing the Tenant Improvements, including any financing charges for capital and a reasonable amount for its administrative costs, and including interest at the rate of six percent (6%) ("Tenant's Total Expense"). The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Tenant's Total Expense shall be fully amortized in equal monthly amounts over five (5) years and deducted from the rent payable hereunder.

Any default by Landlord under the terms of this Landlord's Work Letter shall constitute a default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

15. **Representatives**.

(a) Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Landlord's Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1.

(b) Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Landlord's Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1.

16. **Elevator Usage During Move-In.** In the event that the use of the freight elevators and/or hoists is not sufficient to meet Tenant's requirements, Landlord shall cause to be made operational (a) a temporary construction elevator and hoist, or (b) Tenant shall have priority usage of two (2) passenger elevators in the elevator bank that services the Premises in order to assist Tenant in the installation of Tenant's fixtures, furniture and equipment.

17. **Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Tenant directs otherwise, at a time and place which is mutually convenient. An initial construction meeting shall be held within five (5) days of the date the Contractor is selected.

18. **Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be by commercial messenger service or personal hand delivery, unless otherwise agreed by Landlord and Tenant.

LANDLORD:

Weingart Center Association  
a \_\_\_\_\_

By: \_\_\_\_\_

Name: Gregory C. Scott  
Title: President & CEO  
Date Signed: 7/28/08

TENANT:

COUNTY OF LOS ANGELES,  
a body politic and corporate

By: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

## **ADDENDUM A To Landlord's Work Letter**

### **BASE BUILDING IMPROVEMENTS**

Landlord has constructed (or will construct) the Building to include the following:

(a) the Building shell and exterior, including perimeter window frames, mullions and glazing in good condition;

(b) the core area, including mechanical, electrical, sprinkler, plumbing, life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined by Landlord;

(c) men's and women's toilet rooms, including necessary plumbing fixtures, ceramic tile floors, accessories, ceilings and lighting, with running hot and cold water;

(d) unpainted exterior dry wall or lath and plaster covering the exposed side of all exposed core walls, core and perimeter columns and the interior exposed side of all exterior building wall areas except at and under windows;

(e) public stairways;

(f) passenger and freight elevators;

(g) parking facilities;

(h) ground floor lobby;

(i) finished elevator lobbies (with carpet, lights, finished walls and ceiling);

(j) exterior plazas and landscaping;

(k) loading dock and/or area;

(l) drinking fountains at the core;

(m) electrical/telephone closet with not less than seven (7) watts per square foot of rentable area of normal power in the floor electrical closet;

(n) conduit access sufficient for Tenant's electrical wiring (no additional improvement to increase conduit access will be furnished by Landlord unless there is not sufficient riser space as required for a 1.5" diameter signal cable from the Building main telecommunication vault to the telephone closets on floors \_\_\_\_\_, in which case Landlord, at no cost to Tenant and without deduction from the Tenant Improvement Allowance, shall cause such riser space to be made available to Tenant, and provided further that Tenant shall be responsible for the cost for removing the riser floor seal at each floor and the patching of each seal after installation of Tenant's cable);

(o) two (2) 208/120 and one (1) 480/277 bolt panels connected to the Building power system;

(p) mechanical equipment room with ducted mechanical exhaust system;



(q) concrete floors with trowelled finish, level to specified tolerances and designed to support a minimum live load of fifty (50) pounds per square foot and a partition load of twenty (20) pounds per square foot;

(r) standard window coverings;

(s) primary HVAC duct for cooling and primary HVAC duct for heating (heating is for perimeter zone only) to loop from the mechanical equipment room around the building core;

(t) hot and cold air loops located within the Premises;

(u) primary fire sprinkler distribution, including secondary piping and sprinkler heads as required for the unoccupied Premises;

(v) primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution;

(w) access at panels in the service core for distribution of Building requirements electrical power (initially 120/208 V for power and 277V for fluorescent lighting) up to the limits permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building; and

(x) gypsum board on the service core walls, columns and sills in the Premises.

## **ADDENDUM B To Landlord's Work Letter**

### **TENANT IMPROVEMENTS**

Tenant improvements shall include:

- (a) Tenant ceilings and lighting;
- (b) Floor finish in the Premises
- (c) Interior finishes of any kind within the Premises
- (d) Interior partitions, doors and hardware within the Premises;
- (e) Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) telephones, computers and cabling therefor;
- (g) Distribution of electrical services, plumbing services and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms and extinguishers;
- (j) Additional and/or above standard electrical capacity; and
- (k) Fiber optic access.

### **ADDITIONAL TENANT IMPROVEMENTS**

- (a) Tenant's furniture, fixtures and equipment, including medical equipment

**ADDENDUM C To Landlord's Work Letter**  
**FORM OF BUDGET**

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**ADDENDUM D To Landlord's Work Letter**  
**COSTS OF TENANT IMPROVEMENTS**

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# Leavey Center Rehab

Design Development Budget  
Detailed by CSI



4/17/2008

Group	Phase	Description	Takeoff Quantity	Sub Cost/Unit	Total Amount	Notes
2070.0\$		<b>SELECTIVE DEMOLITION</b>				
	2071.01	Demo: General				
		Building interior demolition	21,300 SF	1.15 /SF	24,495	Hazmat abatement excluded
		Sawcut SOG, break & remove for UG plumbing	1,582 LF	15.00 /LF	23,730	Structural/ hard demo included only for areas indicated; Existing trash drain demo excluded
		Sawcut CMU, break & remove for openings in wall	101 LF	35.00 /LF	3,535	
		Demo: General	21,300 SF	2.43 /SF	51,760	
		<b>SELECTIVE DEMOLITION</b>	21,300 SF	2.43 /SF	51,760	
2100.00		<b>SITEWORK</b>				
	2100.02	Sitework - Sub				
		Ramp at Trash Storage	40 SF	75.00 /SF	3,000	
		Site concrete at Trash Storage	160 SF	20.00 /SF	3,200	
		Trash Storage slab	30 SF	20.00 /SF	600	
		Site utility upgrade allowance - Water and Sewer	1 ALLW	25,000.00 /ALLW	25,000	
		Sitework - Sub	21,300 SF	1.49 /SF	31,800	
		<b>SITEWORK</b>	21,300 SF	1.49 /SF	31,800	
3393.0\$		<b>CONC - PATCH</b>				
	3393.3\$	Patch - Slabs				
		Patch concrete slab after plumbing trench	1,582 SF	10.00 /SF	15,820	
		Float floors for installing floor finish (Assume 20% area)	4,260 SF	1.75 /SF	7,455	
		Patch - Slabs	21,300 SF	1.09 /SF	23,275	
		<b>CONC - PATCH</b>	21,300 SF	1.09 /SF	23,275	
4000.00		<b>MASONRY</b>				
	4010.10	Masonry Subcontractor				
		Structural rework	7,950 SF	0.00 /SF	0	Structural rework of existing masonry walls excluded
		Trash Storage wall	88 SF	36.00 /SF	3,168	Assumed 4' high
		Structural rework of sawcut CMU wall and patch	160 SF	25.00 /SF	4,000	
		Clean existing brick walls (interior)	11,472 SF	0.75 /SF	8,604	12' high only
		Exterior facade upgrade (West entry only, replaster + repaint)	2,160 SF	12.00 /SF	25,920	18' high
		Masonry Subcontractor	21,300 SF	1.96 /SF	41,692	
		<b>MASONRY</b>	21,300 SF	1.96 /SF	41,692	
5500.00		<b>MISCELLANEOUS METAL</b>				
	5500.02	Misc - Metal Fabrications				
		Light/ Equipment support at Oper/Exam rooms	15 EA	750.00 /EA	11,250	
		Ramp rails	20 LF	175.00 /LF	3,500	
		Cabinet/ Countertop support	715 LF	25.00 /LF	17,875	



# Leavey Center Rehab

Design Development Budget  
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Group	Phase	Description	Takeoff Quantity	Sub Cost/Unit	Total Amount	Notes
	5500.02	Misc - Metal Fabrications				
		Gate at Trash Storage	1 EA	2,000.00 /EA	2,000	
		Overhead structural support for moveable partitions	29 LF	350.00 /LF	10,150	
		Structural support for roll-up door	19 LF	225.00 /LF	4,275	
		Misc - Metal Fabrications	21,300 SF	2.30 /SF	49,050	
		MISCELLANEOUS METAL	21,300 SF	2.30 /SF	49,050	
6000.00	6010.01	ROUGH CARPENTRY				
		Rough Carpentry				
		Plywood hold-down at remaining walls for openings	175 LF	50.00 /LF	8,750	Only shear walls that get new openings. Other existing shear walls excluded
		Additional structural support for new HVAC units	3 EA	2,500.00 /EA	7,500	Structural support for Exhaust Fans excluded
		Rough Carpentry	21,300 SF	0.76 /SF	16,250	
		ROUGH CARPENTRY	21,300 SF	0.76 /SF	16,250	
6200.00		FINISH CARPENTRY				
	6200.01	MILLWORK - GENERAL				
		P.Lam reception desk - Security	11 LF	250.00 /LF	2,750	
		P.Lam reception desk - Main Reception	21 LF	300.00 /LF	6,300	
		P.Lam reception desk - Nurse's Station, GL 5/E	12 LF	200.00 /LF	2,400	
		P.Lam reception desk - Nurse's Station, GL 5/B	12 LF	200.00 /LF	2,400	
		P.Lam reception desk - Nurse's Station, GL 10/B	8 LF	200.00 /LF	1,600	
		P.Lam reception desk - Nurse's Station, GL 10/D	12 LF	200.00 /LF	2,400	
		P.Lam reception desk - Nurse's Station, GL 10/F	12 LF	200.00 /LF	2,400	
		P.Lam reception desk - Dental Reception, GL 5/A	18 LF	200.00 /LF	3,600	
		P.Lam countertops - X-Ray Process	7 LF	65.00 /LF	455	
		P.Lam countertops - Intake	18 LF	65.00 /LF	1,170	
		P.Lam countertops - Laundry	7 LF	65.00 /LF	455	
		P.Lam writing shelf - Exam	81 LF	65.00 /LF	5,265	
		P.Lam writing shelf - Dental Oper	12 LF	65.00 /LF	780	
		P.Lam base cabinets - Exam	115 LF	175.00 /LF	20,125	
		P.Lam base cabinets - Soiled Utility	27 LF	175.00 /LF	4,725	
		P.Lam base cabinets - Clean Utility	20 LF	175.00 /LF	3,500	
		P.Lam base cabinets - Nurse's Station	44 LF	175.00 /LF	7,700	
		P.Lam base cabinets - Ophthalmology	18 LF	175.00 /LF	3,150	
		P.Lam base cabinets - Dental Oper	23 LF	175.00 /LF	4,025	
		P.Lam base cabinets - Dental Lab	31 LF	175.00 /LF	5,425	
		P.Lam base cabinets - DOT	4 LF	175.00 /LF	700	
		P.Lam base cabinets - Pharmacy	26 LF	175.00 /LF	4,550	
		P.Lam base cabinets - Lab	27 LF	175.00 /LF	4,725	
		P.Lam base cabinets - Staff Lounge	8 LF	175.00 /LF	1,400	
		P.Lam base cabinets - Procedure Room	4 LF	175.00 /LF	700	
		P.Lam upper cabinets- Exam	105 LF	225.00 /LF	23,625	



# Leavey Center Rehab

Design Development Budget  
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Group	Phase	Description	Takeoff Quantity	Sub Cost/Unit	Total Amount	Notes
	6200.01	<b>MILLWORK - GENERAL</b>				
		P.Lam upper cabinets - Soiled Utility	22 LF	225.00 /LF	4,950	
		P.Lam upper cabinets - Clean Utility	12 LF	225.00 /LF	2,700	
		P.Lam upper cabinets - Dental Reception	12 LF	225.00 /LF	2,700	
		P.Lam upper cabinets - Nurse's Station	44 LF	225.00 /LF	9,900	
		P.Lam upper cabinets - Ophthalmology	18 LF	225.00 /LF	4,050	
		P.Lam upper cabinets - Dental Lab	31 LF	225.00 /LF	6,975	
		P.Lam upper cabinets - DOT	4 LF	225.00 /LF	900	
		P.Lam upper cabinets - Pharmacy	16 LF	225.00 /LF	3,600	
		P.Lam upper cabinets - Lab	27 LF	225.00 /LF	6,075	
		P.Lam upper cabinets - Staff Lounge	8 LF	225.00 /LF	1,800	
		<b>MILLWORK - GENERAL</b>	21,300 SF	7.51 /SF	159,975	
		<b>FINISH CARPENTRY</b>	21,300 SF	7.51 /SF	159,975	
7000.00		<b>THERMAL/MOISTURE PROTECTN</b>				
	7210.00	<b>INSULATION</b>				
		Building insulation for sound	21,300 SF	0.75 /SF	15,975	
		Batt insulation beneath roof deck (above ceilings)	21,300 SF	2.50 /SF	53,250	
		<b>INSULATION</b>			69,225	
		<b>THERMAL/MOISTURE PROTECTN</b>		/SF	69,225	
7250.0\$		<b>ROOFING</b>				
	7610.00	<b>BUILT UP ROOFING</b>				
		Roof patch & repair for MEP penetrations - EXCLUDED due to re-roofing	125 EA	0.00 /EA	0	
		Equipment curbs/ pads and SM cover for HVAC units	3 EA	1,200.00 /EA	3,600	Includes built-up curb, roofing and sheet metal upgrade
		Equipment curbs/ pads and SM cover for EF units	19 EA	500.00 /EA	9,500	
		Re-roof with TPO roof over existing	21,300 SF	3.00 /SF	63,900	Existing roof tear-off excluded; Spec is Carlisle 60 mil TPO membrane
		<b>BUILT UP ROOFING</b>			77,000	
		<b>ROOFING</b>		/SF	77,000	
7800.00		<b>SKYLIGHTS</b>				
	7800.04	Skylights - Plastic Solatube at skylights	7 EA	1,000.00 /EA	7,000	21" dia tube, 24" sq diffuser, 6' total tube length, Optaview diffuser, no dimmers for Solatube
		Skylights - Plastic		/each	7,000	
		<b>SKYLIGHTS</b>		/EACH	7,000	
8000.00		<b>DOORS</b>				
	8200.01	Hollow Metal Doors/Frames				



# Leavey Center Rehab

## Design Development Budget

### Detailed by CSI



4/17/2008

Group	Phase	Description	Takeoff Quantity	Sub Cost/Unit	Total Amount	Notes
	8200.01	<b>Hollow Metal Doors/Frames</b>				
		Wood Doors - SINGLE - Solid Core 3'x7' (Reuse existing)	57 EA	225.00 /EA	12,825	Paint grade wood doors
		Frames - Timely (Reuse existing)	57 EA	110.00 /EA	6,270	
		Wood Doors - SINGLE - Solid Core 3'x7' (new)	64 EA	450.00 /EA	28,800	Paint grade wood doors
		Frames - Timely (new)	65 EA	215.00 /EA	13,975	
		Wood Doors - DOUBLE - Solid Core 3'x7'	2 PR	900.00 /PR	1,800	Paint grade wood doors
		Frames - Double - Timely	6 EA	400.00 /EA	2,400	
		HM Door - Electrical closet	1 EA	900.00 /EA	900	
		Hardware allowance	121 EA	400.00 /EA	48,400	
		Doors & frames installation	121 EA	350.00 /EA	42,350	
		Pocket door at DOT	1 EA	1,850.00 /EA	1,850	
		HM Doors - DOUBLE	4 PR	1,800.00 /PR	7,200	
		Lites at Doors	27 EA	150.00 /EA	4,050	
		Hollow Metal Doors/Frames	21,300 SF	8.02 /SF	170,820	
	8200.22	<b>Doors - Coiling</b>				
		Roll Down Security Door - 19LF	1 EA	10,500.00 /EA	10,500	
		Roll Down Security Door at Pharmacy	1 EA	3,500.00 /EA	3,500	
		Doors - Coiling	21,300 SF	0.66 /SF	14,000	
	8200.42	<b>Doors - Entrance</b>				
		Entrance Doors	2 PR	5,000.00 /PR	10,000	Replace two pair doors in existing frame on San Pedro
		Entrance Doors	1 EA	2,500.00 /EA	2,500	
		Doors - Entrance	21,300 SF	0.59 /SF	12,500	
		<b>DOORS</b>	21,300 SF	9.26 /SF	197,320	
8810.00		<b>GLASS &amp; GLAZING</b>				
	8810.01	<b>Glass and Glazing Sub</b>				
		Storefront glass at Security	48 SF	70.00 /SF	3,360	
		One-way glass - 4'H	24 SF	85.00 /SF	2,040	
		Pass-thru	1 ea	500.00 /ea	500	
		Sliding glass at counters - 4'H, Dental Reception	32 SF	55.00 /SF	1,760	
		Sliding glass at counters - 4'H, Pharmacy	32 SF	55.00 /SF	1,760	
		X-ray windows	2 EA	650.00 /EA	1,300	
		Glass and Glazing Sub	21,300 SF	0.50 /SF	10,720	
		<b>GLASS &amp; GLAZING</b>	21,300 SF	0.50 /SF	10,720	
9000.00		<b>FINISHES</b>				
	9250.00	<b>GYPSUM WALL BOARD</b>				
		Drywall partitions - 3 5/8" 20GA. - 9'	1,675 LF	85.00 /LF	142,375	All drywall walls and ceilings are assumed non-rated
		Drywall partitions - 3 5/8" 20GA. - 10'	176 LF	95.00 /LF	16,720	
		Furr out perimeter walls	121 LF	45.00 /LF	5,445	Furred walls assumed 9' tall; included at south wall only
		Finished ends	21 EA	350.00 /EA	7,350	
		Fascia at ceiling height changes	78 LF	45.00 /LF	3,510	





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Group	Phase	Description	Takeoff Quantity	Sub Cost/Unit	Total Amount	Notes
	9250.00	<b>GYP SUM WALL BOARD</b>				
		Lead lining at X-Ray	600 SF	15.00 /SF	9,000	
		Existing partition - patch allowance	330 LF	25.00 /LF	8,250	
		Existing full height wall - patch allowance	415 LF	30.00 /LF	12,450	
		Skimcoat existing partitions	5,724 SF	1.00 /SF	5,724	
		<b>GYP SUM WALL BOARD</b>	21,300 SF	9.90 /SF	210,824	
	9252.50	<b>Drywall Ceilings</b>				
		Drywall Ceiling - Restrooms & X-RAY	1,548 SF	9.00 /SF	13,932	
		Soffit at Reception & Nurse Stations	95 LF	55.00 /LF	5,225	
		Drywall soffit at ACT	78 LF	55.00 /LF	4,290	
		Soffit allowance at skylights	7 EA	450.00 /EA	3,150	Existing skylights are left as-is. Skylight replacement excluded
		<b>Drywall Ceilings</b>	21,300 SF	1.25 /SF	26,597	
	9310.00	<b>CERAMIC TILE</b>				
		Ceramic Tile - floors	1,188 SF	12.00 /SF	14,256	
		Ceramic Tile - wainscot - 4'	1,984 SF	13.00 /SF	25,792	Only 4' high at all restroom walls
		Ceramic Tile - wainscot - increased to 6' high	992 SF	13.00 /SF	12,896	
		<b>CERAMIC TILE</b>	21,300 SF	2.49 /SF	52,944	
	9510.00	<b>ACOUSTICAL CEILINGS</b>				
		2' x 2' Acoustic ceiling	1,290 SF	4.25 /SF	5,483	Armstrong Prelude XL grid system with Armstrong #770 Cortega lay-in tile
		2' x 4' Acoustic ceiling	17,601 SF	3.25 /SF	57,203	Armstrong Prelude XL grid system with Armstrong #769 Cortega lay-in tile
		Mylar tile at Dental Oper, Labs, Procedure room	1,214 SF	5.50 /SF	6,677	Deduct (\$4,500) to change to Gridstone Brand Vinylrock tile
		<b>ACOUSTICAL CEILINGS</b>	21,300 SF	3.26 /SF	69,363	
	9660.00	<b>FLOORING</b>				
		Linoleum flooring (Not per drawing, called out as VCT)	17,148 SF	4.00 /SF	68,592	
		VCT flooring - Static Dissipative Tile at Server Room	251 SF	5.50 /SF	1,381	
		Coved base at Exam & Dental areas	1,900 LF	4.00 /LF	7,600	
		Rubber base at other areas	1,802 LF	2.25 /LF	4,055	
		Carpet at Clinical Supervisor (# 109)	13 SY	60.00 /SY	780	
		<b>FLOORING</b>	21,300 SF	3.87 /SF	82,407	
	9900.00	<b>PAINTING</b>				
		Paint partitions & fascia	30,502 SF	0.45 /SF	13,726	
		Paint drywall ceilings	1,548 SF	0.55 /SF	851	
		Paint SC Wood Doors - existing	57 EA	135.00 /EA	7,695	
		Paint Trim/Frames - existing	57 EA	135.00 /EA	7,695	
		Paint SC Wood Doors - new	64 EA	120.00 /EA	7,680	
		Paint HM Frames - new	64 EA	120.00 /EA	7,680	
		Paint furred drywall at perimeter	1,089 SF	0.45 /SF	490	



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	9900.00	<b>PAINTING</b>				
		Exterior wall paint & graffiti coating	3,000 SF	1.10 /SF	3,300	
		<b>FRP 3'-6" high at Corridors - EXCLUDED</b>	<b>4,365 SF</b>			<b>Common corridor walls only</b>
		<b>J-mold cap at FRP - EXCLUDED</b>	<b>1,247 LF</b>			<b>Top of FRP panel</b>
		<b>T-mold connections at FRP - EXCLUDED</b>	<b>560 LF</b>			<b>Connection @ 8' o.c.</b>
		Paint in lieu of FRP at Corridors	4,365 SF	0.45 /SF	1,964	
		Paint at ramp rails	20 LF	15.00 /LF	300	
		Paint at Trash gate	1 EA	250.00 /EA	250	
		<b>PAINTING</b>	<b>21,300 SF</b>	<b>2.42 /SF</b>	<b>51,632</b>	
		<b>FINISHES</b>	<b>21,300 SF</b>	<b>23.18 /SF</b>	<b>493,766</b>	
<b>10000.00</b>		<b>SPECIALTIES</b>				
	10160.01	<b>Specialties</b>				
		Toilet partitions - Floor mounted - Metal	4 EA	750.00 /EA	3,000	
		Handicap Toilet partitions - Floor mounted - Metal	6 EA	1,150.00 /EA	6,900	
		Urinal screens	3 EA	350.00 /EA	1,050	
		Pass-thru	2 EA	350.00 /EA	700	
		Corner guards	33 EA	20.00 /EA	660	Only at corridor drywall ends
		<b>Specialties</b>	<b>21,300 SF</b>	<b>0.58 /SF</b>	<b>12,310</b>	
	10270.01	<b>Access &amp; Pedestal Floors</b>				
		<b>Raised access flooring</b>	<b>251 SF</b>	<b>0.00 /SF</b>	<b>0</b>	<b>Excluded</b>
	10410.00	<b>SIGNAGE</b>				
		Code Signage	1 ALLW	2,500.00 /ALLW	2,500	Building interior and exterior signage excluded
		<b>SIGNAGE</b>			<b>2,500</b>	
		<b>SPECIALTIES</b>	<b>21,300 SF</b>	<b>0.70 /SF</b>	<b>14,810</b>	
<b>10600.00</b>		<b>PARTITIONS &amp; STOR. SHLVNG</b>				
	10605.00	<b>PARTITIONS</b>				
		Operable partition - High level STC at East Conf. Rm.	19 LF	450.00 /LF	8,550	
		Operable partition - High level STC at Interview Rm	10 LF	450.00 /LF	4,500	
		<b>PARTITIONS</b>	<b>21,300 SF</b>	<b>0.61 /SF</b>	<b>13,050</b>	
	10800.00	<b>TOILET ROOM ACCESSORIES</b>				
		Toilet tissue dispenser	16 EA	150.00 /EA	2,400	
		Paper towel dispenser	62 EA	125.00 /EA	7,750	
		Grab bars	22 EA	55.00 /EA	1,210	
		Soap dispenser	61 EA	65.00 /EA	3,965	
		Mirror	19 EA	165.00 /EA	3,135	
		Sanitary napkin disposal	6 EA	375.00 /EA	2,250	
		<b>TOILET ROOM ACCESSORIES</b>	<b>21,300 SF</b>	<b>0.97 /SF</b>	<b>20,710</b>	
		<b>PARTITIONS &amp; STOR. SHLVNG</b>	<b>21,300 SF</b>	<b>1.59 /SF</b>	<b>33,760</b>	
<b>11000.00</b>		<b>EQUIPMENT</b>				



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Group	Phase	Description	Takeoff Quantity	Sub Cost/Unit	Total Amount	Notes
	11000.01	FFE & Equipment - EXCLUDED				
		FFE	EA			Pharmacy shelving, Back desk, Furniture, Systems furniture, Stacked rolling shelves excluded
		Equipment	EA			Equipment, Lockers, Refrigerator, Washer/Dryer excluded
15000.00		MECHANICAL				
	15300.00	FIRE PROTECTION				
		Fire sprinkler	21,300 SF	1.98 /SF	42,174	Water meter, pipe painting, monitoring system, fire pump excluded
		Masonry wall penetration allowance	1 ALLW	5,000.00 /ALLW	5,000	
		FIRE PROTECTION	21,300 SF	2.22 /SF	47,174	
	15400.00	PLUMBING				
		Plumbing fixtures - see breakdown below	85 EA	3,500.00 /EA	297,500	Medical gas, Oxygen tanks, De-ionized water excluded
		Toilets	16 EA			
		Sinks	61 EA			
		Double sink	1 EA			
		Urinals	3 EA			
		Mop sinks	1 EA			
		Dental Chairs	4 EA			
		Misc plumbing connections - see breakdown below	17 EA	1,500.00 /EA	25,500	
		Trash Storage plumbing	1 EA			
		Floor Drains - Restrooms	12 EA			
		Connection for washer/dryer, fridge	4 EA			
		Drainage grate and sump pump	1 EA	5,000.00 /EA	5,000	
		Underground piping	800 LF	45.00 /LF	36,000	
		Compressed air piping - 3/4"	120 LF	75.00 /LF	9,000	Air compressor F&I excluded, Add \$15,000
		Vacuum piping - 1-1/4"	120 LF	75.00 /LF	9,000	Vacuum pump F&I excluded, Add \$15,000
		Horizontal vent, hot & cold water, hot water circulation mains	2,000 LF	55.00 /LF	110,000	
		Condensate drains for HVAC (3 new units)	1 EA	2,500.00 /EA	2,500	
		120 gal Water Heater allowance	1 ALLW	20,000.00 /ALLW	20,000	Expansion tank included



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Group	Phase	Description	Takeoff Quantity	Sub Cost/Unit	Total Amount	Notes
		<b>PLUMBING</b>	21,300 SF	24.16 /SF	514,500	
	15500.00	<b>HVAC SYSTEMS</b>				
		HVAC - Relocate ductwork and refurbish existing units	21,300 SF	8.00 /SF	170,400	Building management system or EMS excluded
		HVAC - (2) units to create negative air	7 TON	3,500.00 /TON	24,500	1664 SF/ 250 = 7 tons of new HVAC
		Masonry wall penetration allowance	1 ALLW	5,000.00 /ALLW	5,000	
		HVAC - 1.5 TON Unit at Server room	2 TON	3,500.00 /TON	5,250	
		Exhaust Fan at Soiled Util, Toilets, Labs, Bio-Hazard	14 EA	750.00 /EA	10,500	
		Furnish & install electric VVT control system	21,300 sf	4.00 /sf	85,200	Includes zones, bypass dampers, ductwork, wiring & programming
		<b>HVAC SYSTEMS MECHANICAL</b>	21,300 SF	14.12 /SF	300,850	
			21,300 SF	40.49 /SF	862,524	
16500.00		<b>POWER SYSTEMS</b>				
	16510.00	<b>POWER SYSTEMS</b>				
		Quadplex receptacle	13 EA	225.00 /EA	2,925	Existing switchgear upgrade excluded
		Special receptacle	1 EA	300.00 /EA	300	
		Duplex GFI	66 EA	225.00 /EA	14,850	
		Duplex receptacle	259 EA	175.00 /EA	45,325	
		Tel/Data stub-ups	63 EA	85.00 /EA	5,355	
		Thermostat stub-ups	27 EA	100.00 /EA	2,700	
		J-box for Security (ceiling)	6 EA	400.00 /EA	2,400	
		Garbage Disposal	1 EA	450.00 /EA	450	
		Medical Equipment Floor box	6 EA	2,000.00 /EA	12,000	
		Power/Tel/Data Floor box	2 EA	1,100.00 /EA	2,200	
		Vacuum Pump VP-1	1 EA	1,500.00 /EA	1,500	
		Air Compressor AC-1	1 EA	1,500.00 /EA	1,500	
		Water Heater WH-1	1 EA	1,350.00 /EA	1,350	
		Circulating Pump CP-1	1 EA	1,500.00 /EA	1,500	
		Indoor Exhaust Fan	13 EA	350.00 /EA	4,550	
		Outdoor Exhaust Fan (Roof)	1 EA	1,500.00 /EA	1,500	
		RTU @ 70a. AC-3	1 EA	2,500.00 /EA	2,500	
		RTU @ 35a. AC-5	1 EA	2,750.00 /EA	2,750	
		RTU @25a. AC-8	1 EA	1,750.00 /EA	1,750	
		X-ray Power Connection	1 LSUM	15,000.00 /LSUM	15,000	
		Server Room Power/Ground (Allowance)	1 ALLW	20,000.00 /ALLW	20,000	
		Additional Power Panels	1 LSUM	35,000.00 /LSUM	35,000	
		Cut & patch at panel locations	1 LSUM	6,000.00 /LSUM	6,000	
		Masonry wall penetration (Allowance)	1 ALLW	5,000.00 /ALLW	5,000	
		Tel/Data - Conduit boxes	21,300 SF	0.50 /SF	10,650	Tel/Data equipment and wiring excluded
		Demolition (Safe off)	1 LSUM	20,000.00 /LSUM	20,000	



# **Leavey Center Rehab** *Design Development Budget* *Detailed by CSI*



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Group	Phase	Description	Takeoff Quantity	Sub Cost/Unit	Total Amount	Notes
	16510.00	<b>POWER SYSTEMS</b>				
		Temporary power & lighting	1 LSUM	13,000.00 /LSUM	13,000	
		Power, lighting - scope allowance	1 ALLW	30,000.00 /ALLW	30,000	
		Permit/ plancheck	1 LSUM	5,000.00 /LSUM	5,000	
		<b>POWER SYSTEMS</b>	21,300 SF	12.54 /SF	267,055	
		<b>POWER SYSTEMS</b>	21,300 SF	12.54 /SF	267,055	
16600.00	16610.00	<b>LIGHTING</b>				
		<b>LIGHTING</b>				
		Fixture allowance	1 ALLW	29,000.00 /ALLW	29,000	Allowance includes switching and installation cost
		Remove & relocate 2x4 recessed flou, fixture	191 EA	155.00 /EA	29,605	No guarantee to match existing fixtures, existing ballasts to be reused
		New flou, down light	22 EA	175.00 /EA	3,850	
		New 2x4 recessed flou, fixture	107 EA	125.00 /EA	13,375	
		New 2x2 recessed flou, fixture	21 EA	125.00 /EA	2,625	
		New bug eyes	25 EA	275.00 /EA	6,875	
		New exit signs (Battery)	34 EA	300.00 /EA	10,200	
		A switching	10 EA	125.00 /EA	1,250	
		A/B switching	6 EA	150.00 /EA	900	
		A/B switching w/ 3 way	6 EA	175.00 /EA	1,050	
		OS wall mount A switching	8 EA	225.00 /EA	1,800	
		OS wall mount A/B switching	78 EA	225.00 /EA	17,550	
		Ceiling occupancy sensor	6 EA	250.00 /EA	1,500	
		Relamping allowance	1 ALLW	10,000.00 /ALLW	10,000	
		<b>LIGHTING</b>	21,300 SF	6.08 /SF	129,580	
		<b>LIGHTING</b>	21,300 SF	6.08 /SF	129,580	
16800.00	16810.00	<b>SPECIAL SYSTEMS</b>				
		<b>SPECIAL SYSTEMS</b>				
		Nursing call allowance	1 ALLW	25,000.00 /ALLW	25,000	
		Security system allowance	21,300 SF	1.25 /SF	26,625	
		Fire Life Safety	21,300 SF	2.00 /SF	42,600	
		<b>SPECIAL SYSTEMS</b>	21,300 SF	4.42 /SF	94,225	
		<b>SPECIAL SYSTEMS</b>	21,300 SF	4.42 /SF	94,225	



# Leavey Center Rehab

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## Estimate Totals

Description	Rate	Amount	Totals	Cost per Unit
Subcontract		<u>2,630,787</u>		
		2,630,787	2,630,787	
Construction Contingency	8.000 %	210,463		
Sub-guard	1.200 %	31,569		
Escalation - excluded		<u>242,032</u>	2,872,819	
PL/PD Insurance	1.380 %	46,167		
Gross Receipt Tax	0.130 %	<u>4,349</u>		
		50,516	2,923,335	
General Conditions/ Precon		246,680		
Fee	6.000 %	<u>175,400</u>		
		422,080	3,345,415	
<b>Total</b>			<b>3,345,415</b>	<b>157.06 /SF</b>

